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Guy M. Hicks
General Counsel

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December 9, 1999
EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

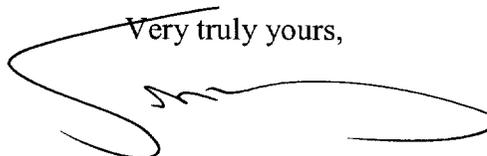
Re: *Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996*
Docket No. 99-00430

Dear Mr. Waddell:

After filing its Post-Hearing Brief on December 7, BellSouth identified a typographical error which should be corrected. In the first paragraph of page 46, the word "files" should be replaced with the word "fiber" and the word "cross connect" should be replaced with the word "cross connects". Enclosed are fourteen copies of a substitute page 46 of the brief. Please substitute this page into the Post-Hearing Brief. For your ease of reference, we have also enclosed fourteen copies of a redline version of this correction.

We regret any inconvenience this may cause.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

FILE

BellSouth also has proposed an interim rate for a keyless Security Access System in order to comply with the FCC's *Advanced Services Order*. This interim rate is based upon a rate approved by the Florida Public Service Commission, and BellSouth proposes that this rate apply to DeltaCom as well until a compliant cost study can be completed and filed with the Authority. Varner, Tr. Vol. IIIA at 577-66. DeltaCom has not raised any objection to this interim rate or to the Authority establishing an interim rate for a keyless Security Access System. BellSouth also has proposed rates for ~~files~~-fiber cross connects and fiber pot bays that DeltaCom may require for shared or cageless collocation *Id.* These rates are based on cost studies developed consistent with the methodology adopted by the Authority in Docket 97-01262. Caldwell, Tr. Vol. IID at 772-18.

Issue 7(b)(iv) – Audits (Att. 3 – 2.0)

Which party should be required to pay for the Percent Local Usage (PLU) and the Percent Interstate Usage (PIU) audit, in the event such audit reveals that either party was found to have overstated the PLU or PIU by 20 percentage points or more?

This issue is relatively straightforward: should one carrier that inaccurately reports information to a significant extent to another carrier be required to pay for the costs of the audit that uncovers the inaccurate information. BellSouth's position is that, if a BellSouth requested audit reveals that DeltaCom has overstated PLU/PIU percentages by 20 percentage points or more, DeltaCom should pay for the audit; otherwise, BellSouth would be required to do so. Numerous interconnection agreements filed with the Authority include a similar provision regarding PIU/PLU audits, and there is no reason not to include such a provision in BellSouth's agreement with DeltaCom. Varner, Vol. IIIA at 577-69.

DeltaCom's position is that each Party should pay for their own audit regardless of the outcome, because otherwise it would constitute a "penalty." DeltaCom's position is inconsistent with basic principles of cost causation. If DeltaCom overstates the PLU/PIU percentages by 20

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CERTIFICATE OF SERVICE

I hereby certify that on December 9, 1999, a copy of the foregoing document was served on the parties of record, via the method indicated:

- Hand
- Mail
- Facsimile
- Overnight

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- Hand
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- Overnight

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